



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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August 19, 2009

TO: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM:

Wendy L. Watanabe  
Auditor-Controller

SUBJECT: **CONCEPT 7 FOSTER FAMILY AGENCY CONTRACT REVIEW – A  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES PROVIDER**

We have completed a contract compliance review of Concept 7 Foster Family Agency (Concept 7 or Agency), a Department of Children and Family Services (DCFS) provider.

**Background**

DCFS contracts with Concept 7, a private non-profit community-based organization to recruit, train and certify foster care parents for the supervision of children DCFS places in foster care. Once the Agency places a child, it is required to monitor the placement until the child is discharged from the program.

Concept 7 is required to hire qualified social workers to provide case management and act as a liaison between DCFS and foster parents. The Agency oversees a total of 84 Los Angeles County certified foster homes in which 166 DCFS children were placed at the time of our review. Concept 7 is located in the First District and also has an office in San Bernardino County.

DCFS pays Concept 7 a negotiated monthly rate, per child placement, established by the California Department of Social Services (CDSS) Foster Care Rates Bureau. Based on the child's age, Concept 7 receives between \$1,589 and \$1,865 per month, per child. Out of these funds, the Agency pays the foster parents between \$680 and \$900 per month, per child. DCFS paid Concept 7 approximately \$3.5 million during Fiscal Year 2008-09.

### **Purpose/Methodology**

The purpose of our review was to determine whether Concept 7 was providing the services outlined in their Program Statement and the County contract. We reviewed certified foster parent files, children's case files, personnel files and interviewed the Agency's staff. We also visited a number of certified foster homes and interviewed the children and the foster parents.

### **Results of Review**

The foster parents indicated that the services they received from Concept 7 generally met their expectations and the children indicated that they enjoyed living with their foster parents. However, Concept 7 did not always comply with the County contract and CDSS Title 22 regulations. We specifically noted the following:

- One (5%) of the 20 foster parent files reviewed did not contain documentation that the Agency conducted a child abuse clearance for the foster parents' adult daughter that resided in the home. Prior to the conclusion of our review, the Agency provided the child abuse clearance for the adult daughter.
- One (10%) of the 10 foster homes reviewed was not assessed by Concept 7 to determine the foster parents' ability to effectively care for more than two children prior to placing more than two children in the home. At the time of our review, three children were placed in the home.
- Two (20%) of the 10 homes reviewed were not conducting disaster drills with the children at least every six months.
- Nine (56%) of the 16 children taking psychotropic medication did not have a current court authorization for the administration of the medication. Subsequent to our review, the Agency provided the current court authorizations for the nine children. Our prior review also noted that Concept 7 did not always ensure that children taking psychotropic medication had current court authorizations.
- Three (14%) of the 21 case files reviewed indicated the children could benefit from receiving tutoring. However, the case files did not contain documentation that the Agency attempted to arrange tutoring services for the children.
- Four (19%) of the 21 Needs and Services Plans (NSPs) reviewed did not address the children's educational goals.
- Twelve (57%) of the 21 NSPs reviewed were not approved by the children's DCFS social worker as required.

- Two (10%) of the 21 NSPs reviewed did not contain goals that were specific.

Our prior audit review also noted that Concept 7 did not always ensure that NSPs contained all the required information and were approved by the DCFS social worker.

### **Review of Report**

We discussed our report with Concept 7 on April 17, 2009. In their response (Attachment I), Concept 7 indicates the actions they have taken to implement the recommendations. We also notified DCFS of the results of our review. In their response (Attachment II), DCFS indicates they will follow up on our recommendations during their next monitoring review tentatively scheduled for November 2009.

We thank Concept 7 for their cooperation and assistance during this review. Please call me if you have any questions or your staff my contact Don Chadwick at (213) 253-0301.

WLW:MMO:JET:DC:AA

### **Attachments**

c: William T Fujioka, Chief Executive Officer  
Patricia S. Ploehn, Director, Department of Children and Family Services  
Ted Meyers, Chief Deputy Director, Department of Children and Family Services  
Susan Kerr, Senior Deputy Director, Department of Children and Family Services  
David Drake, President, Board of Directors, Concept 7  
Melissa Mier, Director of Programs, Concept 7  
Jean Chen, Community Care Licensing  
Public Information Office  
Audit Committee

**FOSTER FAMILY AGENCY PROGRAM  
CONCEPT 7 FOSTER FAMILY AGENCY  
FISCAL YEAR 2007-08**

**BILLED SERVICES**

**Objective**

Determine whether Concept 7 Foster Family Agency (Concept 7 or Agency) provided program services in accordance with their County contract and California Department of Social Services (CDSS) Title 22 regulations.

**Verification**

We visited ten of the 84 Los Angeles County certified foster homes that Concept 7 billed the Department of Children and Family Services (DCFS) in May and June 2008, and interviewed 12 foster parents and 19 children. We also observed one toddler who was too young to interview. In addition, we reviewed the case files for 20 foster parents and 21 children and we reviewed the Agency's monitoring activity.

**Results**

The foster parents indicated that the services they received from the Agency generally met their expectations and the children indicated that they enjoyed living with their foster parents. The toddler we observed appeared well cared for and happy. In addition, the homes we visited were well maintained and in compliance with CDSS Title 22 regulations. However, Concept 7 needs to ensure that case files and Needs and Services Plans (NSPs) are in compliance with the County contract and CDSS Title 22 regulations. We specifically noted the following:

**Foster Parent Certification Files**

- Two (20%) of the 10 foster homes reviewed were not conducting disaster drills with the children at least every six months.
- One (5%) of the 20 foster parent files reviewed did not contain documentation that the Agency conducted a child abuse clearance for the foster parents' adult daughter that resided in the home. Prior to the conclusion of our review, the Agency provided the child abuse clearance for the adult daughter.
- One (10%) of the 10 foster homes reviewed was not assessed by Concept 7 to determine the foster parents' ability to effectively care for more than two children prior to placing more than two children in the home. At the time of our review, three children were placed in the home.

**Children's Case Files**

- Nine (56%) of the 16 children taking psychotropic medication did not have a current court authorization for the administration of the medication. Subsequent to our review, the Agency provided the current court authorizations for the nine children. Our prior audit review also noted that Concept 7 did not always ensure that children taking psychotropic medication had current court authorizations.
- Three (14%) of the 21 case files reviewed indicated the children could benefit from receiving tutoring. However, the case files did not contain documentation that the Agency attempted to arrange tutoring services for the children.

**Needs and Services Plans**

- Four (19%) of the 21 NSPs reviewed did not address the children's educational goals.
- Twelve (57%) of the 21 NSPs reviewed were not approved by the children's DCFS social worker as required.
- Two (10%) of the 21 NSPs reviewed did not contain goals that were specific.

Our prior audit review also noted that Concept 7 did not always ensure that NSPs contained all the required information and were approved by the DCFS social worker.

**Recommendations****Concept 7 management ensure:**

1. **Foster parents conduct and document disaster drills with children at least every six months.**
2. **Criminal and child abuse clearances are conducted for all the adults that reside in the foster home.**
3. **Foster home assessments are completed for homes where more than two children are placed.**
4. **Children taking psychotropic medication have a current court authorization for the administration of the medication.**
5. **Tutoring services are arranged to improve children's basic skills when necessary.**
6. **NSPs contain all the required information and are approved by the DCFS social worker.**

**CLIENT VERIFICATION****Objective**

Determine whether the program participants received the services that Concept 7 billed to DCFS.

**Verification**

We interviewed 19 children placed in ten Concept 7 certified foster homes and 12 foster parents to confirm the services the Agency billed to DCFS. In addition, we observed one toddler who was too young to interview.

**Results**

The foster parents indicated they were generally happy with the services they received from the Agency and the foster children indicated they enjoyed living with their foster parents. In addition, the toddler we observed appeared well cared for and happy.

**Recommendation**

None.

**STAFFING/CASELOAD LEVELS****Objective**

Determine whether Concept 7 social workers' caseloads do not exceed 15 placements and whether the supervising social worker does not supervise more than six social workers as required by the County contract and CDSS Title 22 regulations.

**Verification**

We interviewed the Agency's supervising social worker and reviewed caseload statistics and payroll records for the Agency's social workers and supervising social worker.

**Results**

The Agency's 20 social workers carried an average caseload of 15 cases and the Agency's supervising social worker supervised an average of six social workers.

**Recommendation**

None.

**STAFFING QUALIFICATIONS****Objective**

Determine whether Concept 7 staff possess the education and work experience qualifications required by the County contract and CDSS Title 22 regulations. In addition, determine whether the Agency conducted hiring clearances prior to hiring their staff and provided ongoing training to staff.

**Verification**

We interviewed the Agency's administrator and reviewed each staff's personnel file for documentation to confirm their education and work experience qualifications, hiring clearances, and ongoing training.

**Results**

The Agency's supervising social worker and social workers possessed the education and work experience required. In addition, the Agency conducted hiring clearances and provided ongoing training for staff working on the County contract.

**Recommendation**

None.

**PRIOR YEAR FOLLOW-UP****Objective**

Determine the status of the recommendations reported in the Auditor-Controller's prior monitoring review.

**Verification**

We verified whether the outstanding recommendations from the Fiscal Year 2006-07 monitoring review were implemented. The report was issued on July 5, 2007.

**Results**

The prior monitoring report contained eight outstanding recommendations. Concept 7 implemented six of the recommendations. As indicated earlier, the findings related to recommendations 4 and 6 contained in this report were also noted during the prior monitoring review.

**Recommendation**

7. Concept 7 management implement the outstanding recommendations from the Fiscal Year 2007-08 monitoring report.

**AUDITOR-CONTROLLER**  
**COUNTY OF LOS ANGELES**



April 29, 2009

To: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Mike Antonovich

Wendy L. Watanabe, Auditor-Controller

From: John Peel, CEO  
Concept 7, Inc.

Subject: Response to Concept 7 Foster Family Agency Contract Review

The following is Concept 7's response to the findings and recommendations made by the Auditor-Controller during their contract compliance review.

**Recommendations and Responses:**

**Concept 7 management shall ensure the following:**

1. **Ensure that foster parents conduct and document disaster drills with children at least every six months.**

C7SWs to have foster parents conduct disaster drill in their presence a minimum of 4 times per year at the time of the quarterly home inspection.

2. **Ensure that criminal and child abuse clearances are conducted for all the adults that reside in the foster home.**

C7 to ensure that all persons over 18 years old are criminally and child abuse cleared and that those clearances are filed in the foster parent office file.

C7SWs will evaluate the living arrangements in the foster home and determine if all adults are appropriately cleared during each home visit.

C7 will retrain foster parents to notify C7 immediately when an adult will be moving into the certified home or when a child residing in the home turns 18 years old so that appropriate clearances can be obtained.

- 3. Ensure that foster home assessments are completed for homes where more than two children are placed.**

C7SW and Social Worker Supervisor (SWS) or Regional Director (RD) will assess on a monthly basis whether a foster home is appropriate to care for more than two children.

Placing C7SW will complete a "Certification Exception" form, which includes a foster home assessment, at the time of placement, when that placement involves a third child being placed. That form will be reviewed and approved by SWS or RD. If approved, a copy of that form will be placed in that foster parents office file and in all foster children's office files that are in placement in that given home.

- 4. Ensure that children taking psychotropic medication have a current court authorization for the administration of the medication.**

C7SWs will be retrained regarding psychotropic medication authorization procedures. C7SWs will request a new Psychotropic Medication Authorization (PMA) from psychiatrist a month prior to PMA expiring. C7SW will follow-up with psychiatrist and County Social Worker (CSW) to ensure that PMA was approved by the court and will obtain a copy of the approved PMA for the foster child's file.

- 5. Ensure that tutoring services are arranged to improve children's basic skills when necessary.**

C7SWs and foster parents will be retrained regarding their responsibility to ensure that their foster children's education needs are being met. C7SW and foster parent to arrange for tutoring services in conjunction with DCFS social worker (CSW) for foster children needing those services.

- 6. Ensure that NSPs contain all the required information and are approved by the DCFS social worker.**

C7SWs will be retrained regarding addressing educational needs in the Needs and Services Plans (NSP) reports. RD and SWS will ensure that this is addressed at the time reports are submitted for review.

C7 will make efforts as indicated below to obtain CSW approval for NSPs.

- C7SW will fax a copy of the NSP to the CSW requesting signature of approval. The fax transmission verification report will be saved and maintained with the NSP.
- C7SW will also mail the original NSP, requesting CSWs signature of approval.
- After 1 week and if no response from CSW, then a phone call will be made to the CSW. Phone call requesting CSWs signature of approval will be documented on signature page of NSP.

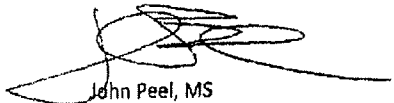
- After 2<sup>nd</sup> week of no response from CSW, another phone call will be made to the CSW. 2<sup>nd</sup> phone call requesting CSWs signature of approval will be documented on signature page of NSP.
- After 3<sup>rd</sup> week of no response from CSW, a phone call will be made to CSWs supervisor requesting CSWs signature of approval. The CSW supervisor will be made aware that CSWs signature of approval is a DCFS contract requirement. Phone call to CSWs supervisor will be documented on signature page of NSP.

**7. Ensure that Concept 7 Management implements the outstanding recommendations from the Fiscal Year 2007-2008 monitoring report.**

Concept 7 Executive Review Team will review the outstanding recommendations and will retrain staff and foster parents regarding the recommendations well.

I would like to thank you for your thorough review. Concept 7 takes pride in our quality foster homes, foster parents, staff and program. We welcome the recommendations that you have given us within the scope of this review and will utilize your input to help further refine and enhance the services we provide

Sincerely,

A handwritten signature in black ink, appearing to read 'John Peel', with a large, stylized flourish extending to the left.

John Peel, MS  
CEO  
Concept 7, Inc.



PATRICIA S. PLOEHN, LCSW  
Director

**County of Los Angeles  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

425 Shatto Place, Los Angeles, California 90020  
(213) 351-5602

July 17, 2009

TO: Aggie Alonso, Chief Accountant-Auditor  
Countywide Contract Monitoring Division

FROM: Elizabeth A. Howard, Section Head  
Out of Home Care Management Division  
Foster Family Agency/Group Home Performance Management

Board of Supervisors  
GLORIA MOLINA  
First District  
MARK RIDLEY-THOMAS  
Second District  
ZEV YAROSLAVSKY  
Third District  
DON KNABE  
Fourth District  
MICHAEL D. ANTONOVICH  
Fifth District

**DCFS RESPONSE TO THE AUDITOR CONTROLLER'S CONTRACT REVIEW OF  
CONCEPT 7 FOSTER FAMILY AGENCY**

The Out of Home Care Management Division (OHCMD) has reviewed the Auditor-Controller's (A-C) July 14, 2009 final draft report of the contract compliance review of Concept 7 FFA. Although, the report notes several programmatic issues, there were no safety issues which required an immediate response from DCFS.

We will conduct a follow-up review based on the A-C's recommendations, which is tentatively scheduled for November 2009.

If you have any questions, please contact me at (626) 569-6804.

MG:EAH:CR

c: Wendy L. Watanabe, Auditor-Controller  
Patricia Ploehn, Director, DCFS  
Lisa Parrish, Deputy Director, DCFS  
Marilynne Garrison, Division Chief, DCFS

*"To Enrich Lives Through Effective and Caring Service"*